

FISCAL NOTE

SB 732 - HB 1452

April 3, 2007

SUMMARY OF BILL: Voids any contract between a physician and an insurance company if such company publishes a quality or tiered rating of the physician which is based on erroneous information, regardless of whether the error is negligent, intentional or malicious.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$36,300

Other Fiscal Impact – Increase Federal Expenditures – Exceeds \$63,700

Assumptions:

- The bill will reduce the ability of TennCare managed care organizations (MCOs) to provide quality and performance incentives which will increase expenditures. Such is estimated to increase expenditures exceeding \$100,000. Of this amount, \$36,300 will be state funds and \$63,700 will be federal funds at a 63.695% match rate.
- The Department of Commerce and Insurance will not incur a significant increase in expenditures for changes in regulations that may occur due to the provisions of the bill. Any increase will be absorbed within existing resources.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director